NRH FORM1040ME 1999

FOR MARRIED PERSON ELECTING TO FILE SINGLE

(See Instructions on back)

This schedule must be enclosed with your completed Form 1040ME. Also attach a COM-PLETE copy of your federal return including all schedules and worksheets. If you filed your federal return by using the IRS Telefile system, attach a copy of your Telefile worksheet to your Maine income tax return. You do not have to complete Schedule NRH if you qualify for the low-income tax credit. Also, nonresident spouses with no Maine source income do not have to file a Schedule NRH.

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ame	(s) as shown on Form 1040ME		You	Social Security Number	
			-	-	
	If part-year resident, enter dates you were a Maine Resident	A	В	C	_
	from to	Total for Both Spouses from the Federal Return	Your Share of Total	Non-Maine Source Portion of Your Share	
1	TOTAL INCOME:				
	a Wages, Salaries, Other Employee Compensation				
	b Interest and Dividends				_
	c Business and Farm Income (Loss)				
	d Capital Gain (Loss)				_
	e Other Income (except state income tax refunds)(Loss)				
	f Total Income				
2	RATIO OF INCOME:				
	Column B: Divide line 1f, Col. B by line 1f, Col. A				
	Column C: Divide line 1f, Col. C by line 1f, Col. B		· — — —	<u> </u>	
3	FEDERAL INCOME ADJUSTMENTS:				
	Column A: Federal Form 1040, line 32 or 1040A, line 17				
	Column B: Multiply Column A by line 2, Column B				
	Column C: Multiply Column B by line 2, Column C				
4	FEDERAL ADJUSTED GROSS INCOME: Subtract line 3 from line 1f				
	Enter amount in Column B on 1040ME, line 14				
5	INCOME MODIFICATIONS:				
	a Additions — Specify				
	b U.S. Government Bond interest				
	c Other — Specify				
	d Total Modifications: Line a minus lines b and c — may be a negative amount. Enter amount in Column B on 1040ME, line 15				
6	MAINE ADJUSTED GROSS INCOME: Line 4 plus or minus line 5d.				
	Enter amount in Column B on 1040ME, line 16				
7	RATIO OF MAINE ADJUSTED GROSS INCOME:				
	Column B: Divide line 6, Col. B by line 6, Col. A				
	Column C: Divide line 6, Col. C by line 6, Col. B		<u> </u>	•	
8	DEDUCTIONS — See Instructions				
	Itemized Deductions, if eligible:				
	Column A: From Maine Schedule 2, line 8				
	Column B: Multiply line 8, Column A by line 7, Column B				
	Enter result here and on Form 1040ME, line 17 (If less than standard, use standard)			_	
9	EXEMPTIONS:				
	a Dependents — Column A: Multiply number of dependent				
	exemptions by \$2,750 (Do <u>not</u> include you or your spouse)			4	
	Column B: Multiply line 9a, Col. A by line 7, Col. B		 		
	b Yourself — enter \$2,750		 		
	c Total Exemptions: Add lines 9a and 9b, Col. B. Enter total here and on Form 1040ME, line 18				
10	ADJUSTED MAINE INCOME TAX: From Form 1040ME, line 20 plus line 21 (except minimum tax) minus line 22 MINUS Maine Schedule A, lines 5 - 6				
11	NONRESIDENT CREDIT: Multiply line 10 by line 7, Column C. Enter result here and on Form 1040ME, line 25				

NOTE: Maine **Rule 806** provides further tax guidance for nonresidents of Maine in the following areas: thresholds that determine when a nonresident individual must file a Maine income tax return, types of income subject to taxation, deduction of losses, apportionment of income to Maine, return form to be used, determination of taxable income for spouses filing as single individuals, and determination of tax credits for spouses filing as single individuals. For a copy of Maine Rule 806 contact Maine Revenue Services, Income/Estate Tax Division, 24 State House Station, Augusta, Maine 04333-0024 or call (207) 624-7894 or visit our website at http://janus.state.me.us/revenue/.

SCHEDULE NRH INSTRUCTIONS

Married persons filing jointly on the federal return who elect to file as single individuals on the Maine return must complete Schedule NRH. If you filed single, head-of-household, or married separate on the federal return, you cannot use Schedule NRH (See instructions for Schedule NR). If you filed married joint on the federal return, you may elect to file single for Maine purposes only if your residency status was different than that of your spouse, or if both spouses are nonresidents and only one spouse had Maine-source income. The nonresident spouse with no Maine source income does not have to file a Schedule NRH. See General Instructions on page 4 for a complete discussion of filing status and residency for married couples.

STEP 1. Complete Column A. List Your Joint Income As Reported On Your Joint Federal Return.

Lines 1a through 1f — Total Income. Enter income of both spouses as reported on your joint federal return. Include all income listed on the federal return except taxable refunds, line 10 of federal Form 1040.

Line 5 — **Income Modifications.** Complete lines 5a through 5d if you have Maine income modifications. See the instructions for Schedule 1 on page 16 for details explaining the modifications. Do not include taxable refunds of state and local income tax because you did not include it in your income on line 1.

Line 8 — Deductions. If you itemized deductions on your joint federal return, complete Schedule 2 on page 15 to calculate the amount of your joint Maine itemized deductions. Enter the result from Schedule 2, line 8 on this line in Column A.

If you claimed the standard deduction on your joint federal return, leave line 8, Column A blank. Additional instructions for the standard deduction are included in step 2 below.

Line 9 — **Exemptions.** Multiply the number of <u>dependent</u> exemptions claimed on your federal return by \$2,750. Exclude the exemptions for you and your spouse. Enter the result on line 9a in Column A.

STEP 2. Complete Column B. List Your Income.

Lines 1a through 1f. Enter only <u>your</u> income in Column B. Attribute earned income to the spouse who earned it. Divide unearned income (interest, dividends, capital gains, etc.) equally between you and your spouse.

Line 5 — Income Modifications. Enter your share of the income modifications listed in Column A.

Line 8 — **Deductions.** If you itemized deductions, calculate your share by multiplying the amount on line 8, Column A, by the percentage listed on line 7, Column B. If your share of the itemized deductions is less than the Maine standard deduction for single, use the Maine standard deduction.

If you use the standard deduction on your joint federal return, use the Maine standard deduction for single. The Maine standard deduction for a single individual is \$4,300 unless you claimed zero exemptions on your federal return. If so, the standard deduction is the greater of \$700 or the sum of \$250 plus earned income up to a maximum of \$4,300. If you are age 65 or over <u>or</u> blind, increase the standard deduction amount by \$1,050. If age 65 or over <u>and</u> blind, increase it by \$2,100.

Enter your deduction amount (itemized or standard, whichever is greater) on line 8, Column B.

Line 9 — **Exemptions.** You are entitled to claim your own personal exemption plus a portion of the <u>dependent</u> exemptions claimed on your joint federal return. Follow the instructions on Schedule NRH to complete lines 9a, 9b and 9c.

Tax Additions and Tax Credits. Refer to Maine Schedule A for the instructions on tax additions and tax credits. If you claim any of the listed additions or individual credits (Maine Schedule A, lines 5 and 6), multiply the joint amount of the individual credits or additions by the percentage listed on line 7, Column B of Schedule NRH. Enter your share on Maine Schedule A to enter the results on Form 1040ME. You may claim 100% of your ownership share of the business credits on Maine Schedule A, lines 8-17 and 19-20.

STEP 3. Complete 1040ME. Complete Form 1040ME lines 1-23 using the amounts listed in Column B, Schedule NRH.

Filing Status: Check Single.

Number of Exemptions: Enter total number of exemptions claimed on your joint federal return less the exemption for your spouse.

Lines 14, 15, 16, 17, 18: Enter amounts from Column B of Schedule NRH. Follow instructions on Schedule NRH.

Line 20: Use the tax amount from the Single column in the tax table for your taxable income as listed on line 19.

Line 31: Use Tax. Enter zero unless you are filing as a resident and have a use tax liability (see specific instructions for line 31 on page 7).

STEP 4. Complete Column C. List the Non-Maine Source Portion of Your Share of Income. Enter that portion of <u>your</u> income as listed in Column B that is from non-Maine sources. See the general instructions for Schedule NR, page 22 for an overall description of Maine source and non-Maine source income. Do not include your spouse's income in this column. Supply copies of other states' W-2 forms or temporary duty (TDY) papers to support entries in Column C. If you are filing as a Maine resident, do not complete Column C.

STEP 5. Compute your Nonresident Credit. (If you are a Maine resident, do not complete lines 10 and 11.)

Line 10. Adjusted Maine Income Tax. Enter your adjusted Maine income tax. Take this amount from 1040ME, line 20 plus line 21 (except minimum tax) minus line 22 MINUS Maine Schedule A, lines 5 and 6.

Line 11. Nonresident Credit. Find your nonresident credit by multiplying the amount on line 10 by line 7, Column C. Enter the result here and on Form 1040ME, line 25. This is your nonresident credit.

STEP 6. Complete Form 1040ME. Calculate your balance due or refund by completing the remaining lines on Form 1040ME. Follow the instructions for Form 1040ME.

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